



Feed the Future Country Fact Sheet

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From U.S. Tractors to Ghanaian Tables



USAID/FinGAP

AA Ataquaah purchased a new John Deere tractor thanks to a USAID facilitated partnership between the American company, the Danish International Development Agency, and a Ghanaian microfinance institution.

Abdulaziz Munkaila is the managing director of AA Ataquaah Enterprise, a thriving Ghanaian agribusiness that helps smallholder farmers in Zabzugu district in northern Ghana prepare their lands for planting and helps them finance agro-inputs. His business is booming now, but back in 2011, it almost went under after his tractor broke down before the harvesting season and he was forced to cease his work with smallholder farmers.

Failures of local agribusiness like these are all too common in Ghana's Northern Region. This region has developed at a slower pace than the rest of the country due to its remote location, sparse population, limited resources, and the frequency of droughts, bushfires and other climate-related events. These factors, coupled with a lack of accessible credit and prohibitive interest rates—which sometimes top 30 percent—mean that northern agribusinesses lack resilience. When businesses like AA Ataquaah Enterprise falter or fail, it has a ripple effect throughout the region. Such failures are particularly calamitous for smallholder farmers, who depend on these businesses for inputs and services.

Through support from Feed the Future, the USAID Financing Ghanaian Agriculture Project (USAID-FinGAP), works to address the fragile business climate in northern Ghana through strategic partnerships. Launched in 2013, the project aims to mobilize \$75 million in private capital to agribusinesses working in the rice, maize and soy value chains and to link at least 120,000 smallholder farmers to finance.

For Abdulaziz, one USAID-FinGAP partnership has been particularly transformative—a partnership negotiated between the Danish International Development Agency (DANIDA), Sinapi Abba Savings and Loans (a USAID Development Credit Authority-backed Ghanaian microfinance institution), and U.S. tractor company John Deere, based in Illinois.

In this partnership, DANIDA provided a guarantee-backed sum of capital worth \$3 million for Sinapi Abba Savings and Loans to provide highly competitive agricultural loans focused on land preparation services. The project linked the microfinance institution with the local John Deere dealer to enable tractor equipment loans for agriculture service providers like Abdulaziz.

To make the financing attractive and feasible, John Deere covered four percentage points of the interest charged by the microfinance lender and offers loan recipients training and equipment warranties. Subsequently, sales at the Ghanaian John Deere dealer increased by 20 percent.

The partnership has energized Ghanaian agriculture. Sinapi Abba Savings and Loans has made 15 tractor loans to date, worth almost \$450,000. As a result, agricultural service providers like AA Ataqwaah are better able to provide land preparation services to local farmers and are solvent enough to provide smallholder farmers with small loans.

Today, Abdulaziz is the proud owner of a shiny new John Deere tractor and a consistently growing agribusiness. "Access to the John Deere tractor has been a relief to me and smallholder farmers in the area," he said. "I plan to assist between 110 and 120 smallholders in rice and maize during the upcoming season."

Across the North, smallholder farmers are seeing their yields increase due to the improved equipment and inputs. "We used to prepare our farms manually for nearly six to eight days per acre," said smallholder farmer Hamida Iddrisu. With state-of-the-art tractor services, he reports that he can now prepare his land in less than a day, save money, and most importantly, better feed his family.